M.R.O. 14—10,000—21-4-22.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 2442	Press ~~Mis.~~
212-313	
Dated 1872 — 1869.	

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department, 18th December 1860.

No. 312. Read the following letter from P. GRANT, Esq., Collector of Malabar, to T. PYCROFT, Esq., Chief Secretary to Government, Fort Saint George, dated Calicut, 5th December 1860, No. 88:—

SIR,

As requested by Petitioners, I beg to forward, for the information of Government, an original petition* addressed to the Honorable the Governor in Council by certain merchants of Cannanore regarding the Income Tax. A Memorandum† from me to Petitioners on the subject of their petition is also annexed.

* *Dated 30th November* 1860.

† *Dated 5th December* 1860.

Petition from TOPAN DÁRSHI and other Merchants of Cannanore, to His Excellency the Right Honorable the Governor in Council, Fort Saint George, Madras, dated Cannanore, 30th November 1860.

MAY IT PLEASE YOUR EXCELLENCY,

1st. We, the undersigned Merchants of Cannanore, most humbly and submissively beg leave to represent the grievances to which we are subject by an order from the Assessor's Cutcherry at Cherikel, calling upon us to furnish, on the 1st proximo, detailed accounts of our respective incomes in reference to Act No. 32 of 1860, and threatening us with the penalty enjoined thereby in case of our refusing to do so.

2nd. The many and unbearable calamities, indignities, and privations, which the enforcement of the above Act is calculated to entail, compel the undersigned (who have for a very long time lived under the British rule as becoming loyal subjects, confiding on its justice and integrity, and yielding implicit obedience to all its laws and enactments) to make this representation of grievances in the humble hope that the same will not be viewed in the light of an attempt to resist the order of Government.

3rd. The exposure of the extent of a merchant's dealings, and the correctness of his account, consequent upon the enforcement of the above Act, will simultaneously tend to destroy his credit and reputation, together with the estimation in which he is held by his brother traders (whereby all parties are mutually assisted and benefited), precipitate him into the abyss of irretrievable bankruptcy and involve others also (from whom he cannot expect the least assistance) in the same calamity.

4th. But this is not all.—The correctness of a merchant's account must be established upon oath.—Calling to mind the usual practices of merchants, and the carelessness with which entry is often made in such account, it is beyond a doubt that such oath, whether wilfully false or otherwise, will work out his ruin and render him guilty before God.

5th. Though the secrecy of the authorities, empowered to examine such accounts, have been secured by the prescribed oath, yet we cannot for a moment believe that the same will be sufficient to shield the merchant, whose account shall have been exposed, from inevitable ruin. Secrecy is the seal of the merchant's account, and it cannot, unless on special occasions, be even shown to his nearest relatives. As the furnishing of such documents will most undoubtedly tend to destroy his credit, the enforcement of the above Act is an insufferable grievance.

6th. We are very much concerned to hear that the state is labouring under the pressure of pecuniary difficulties on account of increased expenditure, for ameliorating the condition of its subjects. In order to meet such expense, it ought to be considered whether there is no other eligible means at command besides the one fraught with so direful consequences to the merchants, and whether a measure less harrowing cannot be resorted to on this occasion.

7th. All transactions relative to the exportation and importation of goods and valuable articles whether to or from any town or port are based upon the labour and enterprise of merchants, and it is lawful for Government to subject them to monopolies and the payment of Custom duties; we are therefore not unwilling to submit to double duties on all imported and exported goods. The revenue realizable by the above measure may or may not fall short of that

derivable from the Income Tax, which, according to the above Act, is leviable only for five years. However it is much better to content with the willing contribution (which is to extend to an indefinite period) of loyal subjects who claim the right of being treated as sons, than to insist upon a measure of incalculable mischief to us.

8th. The "Proclamation" of our Most Gracious Sovereign the Queen announcing the extinction of the Honorable the East India Company, and the direct assumption of the administration of this country by Her Majesty had evoked the loyal expectation, that the change would very much contribute towards our welfare; but unfortunately the above act has destroyed such expectation.

9th. We therefore most humbly and submissively beg that your Excellency in Council will be pleased to redress our present grievance by adopting the means pointed out by us, or any other which you may in your wisdom deem proper, for meeting the additional expenses alleged to have incurred by the State for the public good.

Memorandum from P. GRANT, Esq., Collector of Malabar, dated Calicut, 5th December 1860, No. 6,344.

1. The Collector in accordance with the request expressed in a Petition signed by Topan Dárshi and other merchants of Cannanore, has forwarded it to Government. He must however inform them that he cannot hold out any prospect of a compliance with its prayer on the part of Government. The Forms issued by the Assessors of Income Tax are those drawn up by the Government of India for the whole of India, in accordance with the provisions of Act XXXII of 1860, which enjoins under oath the utmost secrecy on the part of the Assessors; so that Petitioners may expect the strictest confidence in regard to their returns.

2. Petitioners are already aware that returns of Assessments on Profits and Incomes exceeding 2,000 Rupees a year, can be addressed to the Collector.

No. 313. ORDER THEREON, 18th December 1860, No. 2,442.

1. The Collector will inform the Petitioners that the Income Tax cannot be abrogated.

2. The Petitioners however are in error as to being required either to produce or swear to their accounts. The Collector will explain to Petitioners what the law really requires, which is merely a truthful return of their income or profits under each Schedule, and will notify his and his subordinates' readiness to afford every information regarding the mode of preparing the returns. He will further assure Petitioners that every effort will be used to ensure secrecy.

(Signed) J. D. SIM,
Acting Secretary to Government.

R 2941/60

[illegible]

Revenue 1860

Pro: of Govt. Department

From 2941.

The Collector of Malabar

To the Chief Secretary to Govt.

Fort St. George

Dated 6 December 1860

Received 14 Do.

No. 88

Enc: 2.

No. 2442. 18th Decr.

Forwards for the information of Government an Original Petition addressed to the Honble the Governor in Council by certain Merchants of Cannanore regarding the Income tax, & his reply to them.

No. 312 & 313.

C. 15 Decr. R. 17

Copy to Collr. of Malabar Decr. 19

No. 2442

The Collr. will inform the Petrs. that the Income Tax cannot be abrogated.

The Petrs. however are in error as to being required either to produce or swear to their accounts. The Collr. will explain to Petrs. what the law really requires — which is merely a truthful return of their income or profits under each schedule and will notify his & his subordinates readiness to afford every information regarding the mode of preparing the returns. He will further assure Petrs. that every effort will be used to ensure secrecy.

J. D. S.

Fort St. Geo. 18 Decr. 1860